September 3, 2004

To: Internal File

From: Pamela Grubaugh-Littig, Permit Supervisor

Re: 510 (c) Recommendation for Andalex Resources, Inc. Centennial

Mine, C/007/0019

As of this writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected for the Centennial Mine. There are no finalized civil penalties, which are outstanding and overdue in the name of Andalex Resources, Inc. Andalex Resources, Inc. does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Centennial Mine that states there are no outstanding violations.

O:\007019.CEN\FINAL\Permit\AVS 09032004.doc

